



City Administrator Monthly Update December 2012

By City Administrator Mike Story



Administration

As Rialto's Second Century of Progress enters 2013, we're seeing opportunity amid the many challenges that confront cities such as ours across the Inland Empire and throughout California. These are not easy times. The lingering soft economy and the elimination of one of our most important revenue streams – redevelopment financing – have made the business of running a city more difficult than ever.

In Rialto, we've seen City revenues drop more than \$8 million in the past six years, which has forced us to reduce payrolls and services while tapping into our financial reserves. It has also forced us to be more resourceful than ever – the recent refinancing of our City water and wastewater services, for instance. That creative solution alone puts us in position to attract the kind of businesses that will create jobs, bring in tax dollars and enable city government to provide you with the level of services you expect from us.

2012 has brought a number of notable accomplishments which include the Regional Helicopter Patrol Program; two job fairs attracting more than 1,800 participants; construction of the Easton Commercial Center; completion of Fergusson Park (including two football fields); completion of Fire Station No. 2; and a new senior housing facility in partnership with TELACU.

As the calendar turns to 2013, our challenges won't go away. This includes the upcoming March 5, 2013, Special Election to extend the Utility Users Tax. But, we also remain firm in our commitment not to join the growing list of California cities facing financial calamity. Forward-thinking leadership and ongoing collaboration with our community partners will allow us to serve Rialto – the way Rialto wants and deserves to be served – for years to come.

Indeed, there is much of which to be proud. With the recent groundbreaking of the \$15 million Pepper Avenue Extension, Rialto is well on its way to having its fourth entrance ramp along the 210 Freeway. Landscape improvements along the 210 and I-10 Freeways, and the recently revamped Riverside Avenue interchange at the I-10 Freeway, add to our City's growing appeal to visitors and businesses. From a pure economic perspective, these kinds of improvements more than pay for themselves, bringing customers, creating shipping and delivery opportunities, and allowing employees to reduce commute times.

Rialto has a wonderful history, but it's the steps we're taking now that will give us an even greater future. We all want that – a city we can be proud of, safe neighborhoods, jobs and opportunities for our children and grandchildren. We all know, too, that it doesn't just happen that way. It requires leadership, vision, the willingness to make tough choices, and a community committed to investing in the future. In Rialto, we're blessed with both.

On behalf of the Mayor, Deborah Robertson, Council Members Joe Baca, Jr., Ed Palmer, and Shawn O'Connell, and all City employees, we thank you for your support, and wish you a Merry Christmas and a happy and prosperous new year.

Rialto Water Services Assumes Water and Wastewater Service Responsibilities

On March 27, 2012 the City Council approved a Concession Agreement with Rialto Water Services to manage the water and wastewater enterprises of the City. Rialto Water Services is a partnership between Table Rock Capital, a private equity firm, and Ullico, a labor owned financial services company. Under the terms of the Concession Agreement, the City retains ownership of the water and wastewater systems, and retains the responsibility for setting rates.

On November 29, 2012 Rialto Water Services delivered \$172 million in debt and equity to the Rialto Utility Authority as required by the Concession Agreement. The proceeds will be used to repay existing debt, facilitate improvements to the water and wastewater systems, establish various working capital and debt reserve accounts, and pay transaction related costs.

Rialto Water Services contracted with Veolia Water West Operating Services (Veolia) to provide for the day-to-day maintenance and operation of the water and wastewater systems, including customer service. Veolia has served the City since 2003 for wastewater operations -- Veolia now serves as the front line water and wastewater operator for the City.

On November 30, 2012 the former City employees showed up for work as Veolia employees. Staff is working with Rialto Water Services to make the transition as smooth as possible for the former workers and customers of the Rialto Utility Authority.

Customers will continue to contact the Utility Billing Division that is now operated by Veolia at (909) 820-2546. Veolia will present a new look to the water bills in early 2013 and will continue to operate out of the South Building at 150 S. Palm Avenue for up to 18 months until a permanent Customer Service and Billing office can be secured.

City Offices Closed

In an effort to reduce costs, the City and Non-Safety Unions have agreed to close City offices during the Winter Holiday. City offices will be closed from Monday, December 24, 2012, through Tuesday, January 1, 2013. City offices will resume normal business hours at 7:00 am on Wednesday, January 2, 2013.

Administrative & Community Services

Finance Division

Interim Financial Report

The Finance Division presented the City Council with the Interim Financial Report for the first quarter of fiscal year 2012-13 at the November 27, 2012 City Council meeting. The report provides an update on the status of the City's finances as of September 30, 2012, and shows that with 25% of the year complete revenues and expenditures are in line with the current budget.

For a copy of the report please refer to the following link:

[http://www.rialtoca.gov/documents/downloads/Interim Financial Report as of September 30 2012 - Final.pdf](http://www.rialtoca.gov/documents/downloads/Interim_Financial_Report_as_of_September_30_2012_-_Final.pdf)

Utility Billing

As of December 3, 2012, Veolia Water has taken over the management and operation of the City's water and waste water services. Finance Division staff is working closely with Veolia to ensure a smooth transition and to provide seamless customer service to our customers.

Until further notice the Utility Billing customer service contact information remains as follows:

150 S. Palm Ave. South Building
Rialto, CA 92376
909-820-2546
Utilitybilling@rialtoca.gov

Recreation Division

Holiday Parade and Vendor Faire 2012

On Saturday December 8, 2012 the Holiday Parade and Vendor Faire were held in downtown Rialto from 10:00 am to 4:30 pm. The parade began at 10:00 am stepping off at 3rd Street heading southbound on Riverside Avenue and concluded at City Hall. The parade had 67 participants of which 22 were judged in various categories and 16 were awarded trophies. The winners are listed below. Following the parade, the Holiday Vendor Faire took place on



Riverside Avenue between Rialto Avenue and First Street. The northbound lane of Riverside Avenue was filled with 36 Vendor Booths, games, community organizations, and music for all to enjoy. The event culminated in a Choir Competition among the three Rialto High Schools with Eisenhower winning first place. Thanks to the many volunteers and incredible support from the Public Works Department and Police Department, all in attendance had a great time and were filled with holiday cheer. We hope this annual event will continue to bring the community together to celebrate the holiday season.

High School Marching Band:

- 1st place: Eisenhower High School
- 2nd place: Rialto High School
- 3rd place: Carter High School

Middle School Marching Band:

- 1st place: Rialto Middle School
- 2nd place: Frisbie Middle School
- 3rd place: Kolb Middle School

Dance & Cheer :

- 1st place: Kucera Middle School
- 2nd place: Preston Elementary School
- 3rd place: Carter High School

High School Choir :

- 1st place: Eisenhower High School
- 2nd place: Carter High School
- 3rd place: Rialto High School

Floats:

- 1st place: Carter High School
- 2nd place: Eisenhower High School
- 3rd place: Hughbanks Elementary School

Best Performance:

- 1st place: Aria Dance Company
- 2nd place: Aztec Dancers
- 3rd place: Nippon Kenpo Karate

Best High School Dance & Cheer:

Carter High School

Human Resources Division

Job Opportunities

The City of Rialto is currently recruiting for the following positions:

Position Title	Application Deadline
Lead Janitor (part-time)	Open Until Filled
Police Records Supervisor	Open Until Filled

Please visit the City of Rialto's website at www.rialtoca.gov to apply.

Career Vision: Employment Boot Camp!

Presenter: Jamie Beck, MS

Date: February 20, 2013

Time: 9:00 am – 1:00 pm

Location: Rialto Senior Center

To RSVP, please call (909) 820-2540 ... Seating is limited to **60!**

- About the Workshop:

“Whether someone has been searching for a job for two weeks or two years, this workshop provides imaginative ideas to turn their job search process from reactive to proactive and puts them in the driver's seat. Participants will learn how to NOT be their own worst enemy and find a job based on their passion and interests, using innovative search techniques and learn effective resume writing and interview techniques.” – Jamie Beck, MS

- Presenter Bio:

Presenter, Jamie Beck, has a Master's Degree in Human Services with an emphasis in Social Systems and a concentration in Family and Work and She has worked for California Department of Education and First 5 funded programs in the public and nonprofit sector, has been a CSU Career Counselor, owns and operates Baby Elephant Books, presents career education workshops and trainings at libraries, high schools, colleges and community organizations, keynotes at conferences and offers private career coaching.

Police Department

City-Sourced “App”

City-Sourced delivers custom mobile reporting applications to our residents across all the major smart-phone platforms (iPhone, Android, Blackberry, & Windows Phone). City-Sourced provides a simple platform empowering residents to identify public safety issues (gang activity, narcotics activity, graffiti, abandoned vehicles etc.) and report them to the Police Department, Code Enforcement, or Public Works for resolution. This application is NOW available! For more, visit our website at www.rialtopd.com.



Coffee with the Chief



"Coffee with the Chief" offers residents an opportunity to personally meet their Police Chief and other representatives in a casual setting. This meeting will feature Officer Cameron Nelson – the Department's Community Liaison Officer. Please join Chief Tony Farrar for "Coffee with the Chief" Tuesday December 11, 2012, at Carrow's 298 W Baseline from 8:00 to 9:00 am.

Reminder - Rialto PD is on Facebook!

Facebook allows law enforcement to connect with their communities, post news and alerts, investigate and even solve crimes using information they collect through the site. It's a great way to get feedback, hear opinions, and engage in dialogue with the community you serve. Keep up with what's happening in your community. Visit us on Facebook at <http://www.facebook.com/RialtoPD>.



Hearts to Share Program



The "Hearts to Share" Christmas program began in 1992. To date, this program has helped over 10,000 children! This year we anticipate helping 100 families and about 700 children. If you need any additional information on this program please contact Noretta Barker or Gina Karol at 909-820-2550.

New PD Badge

In 2013, the RPD Badge will have a new look. The design was submitted by Officer Javier Pulido and depicts the Rialto Bridge, a symbol of this community. The cost will of the new badges will be off-set by the officers purchasing their old badges.



2012 Law Enforcement Recognition Program

On Thursday, November 15, 2012, the California Office of Traffic Safety and Mothers Against Drunk Driving (MADD) hosted the 2012 Law Enforcement Recognition Luncheon. This year, Officers Tim Brayshaw, Joe Maltese and Fred Poching were recognized for their outstanding efforts in combating drunk driving.

RPD Canine Team

On November 2, 2012, the Rialto PD Canine Team participated in the Riverside County Sheriff's 17th Annual Canine Trials. This competition included 52 other canine teams from all over California and as far away as Texas. Officer Joe Maltese and K9 Smoky took 1st Place "building search" and 3rd Place in the "area Search." Officer Chuck Compton and K9 Jango took 2nd Place in "area search" and 5th Place "area search for narcotics." Officer Glen Anderson and K9 Gilly took 2nd Place for "protection" and 5th Place for "parcels narcotics." Officer Justin Breen and K-9 Kimo took 1st Place for "protection."

Police Department - Officer of the Quarter



Congratulations to Sergeant Johnny Partida for being selected as Employee of the 4th Quarter. Sergeant Partida was nominated for his great work with the SCAT team, the Pride Platoon Boot Camp, and his overall ability to lead. Sergeant Partida has been with the Department for 13 years and has worked a variety of assignments to include Patrol, Narcotics, SCAT and SWAT. Sergeant Partida has also given 23 years of service to the United States Army.

City of Rialto Halloween Hi-Jinks

RPD participated in the annual City Halloween Hi-Jinks. A special thanks to the Police Department Bike Patrol, Traffic Unit, Volunteers, Explorers, and all who donated candy to make this event possible.



Sobriety Checkpoint Grant 2013 - 2014

The Office of Traffic Safety (OTS), through the National Highway Traffic Safety Administration (NHTSA), funds sobriety checkpoints throughout California. The goal is to reduce the number of victims killed and injured in alcohol-involved crashes in participating cities. The Rialto Police Department has applied for funding in the amount of \$94,479 to continue its proactive efforts relating to DUI drivers.

RPD Christmas Tree

The Rialto Police Department would like to invite our extended family, the citizens and business owners of Rialto, to join us in decorating our Christmas tree. Please feel free to bring an ornament that reflects your family or business. Beginning Thursday, November 29th, our Christmas tree will be located in the lobby of the police station located at 128 N. Willow Ave. We will post pictures of the tree on our Facebook page, featuring a different ornament each week. Yours could be the featured ornament! Please join us in this festive event to celebrate the holiday season.



7th Annual Battle of the Badges – Blood Drive

The Rialto Police Department in partnership with the Rialto Fire Department will be participating in the 7th Annual Battle of the Badges blood drive. This is a great opportunity for public safety, family and friends to positively impact our communities. The goal is to get over 5,500 badge-carrying personnel to donate! The date for this event is January 8, 2013. If you would like more information, please contact Lieutenant Kathy Thompson at 909-820-2560.



Citizen's Academy Class



The Rialto Police Department is currently accepting applications for the next Citizen's Academy class. Applications will be accepted on a continuous basis, and the next Citizen's Academy will be held in early 2013. The academy will meet one night per week, from 6:00 to 9:00 pm, for 10 weeks. There is no fee for the class.

The Citizen's Academy is designed to present residents with an understanding of the Police Department's operations, which will provide a greater awareness and understanding of law enforcement's role in our community. Each week, an inside look at police functions will be taught by police executives and veteran officers.

The Citizen's Academy curriculum will include, among other things: criminal investigations, traffic laws, radio communications, drug and gang enforcement, police ethics, police K9s, SWAT, crisis negotiation, crime analysis, and patrol functions.

Anyone interested in attending the Citizen's Academy can download an application at www.rialtopd.com (search under "Community" tab) and e-mail it to Lieutenant Kathy Thompson at kthompson@rialtopd.com. Applications can also be picked up at the Rialto Police Department, 128 N. Willow Ave.

Area Command Meetings – October 2012

The Area Commander Program is responsible for those areas which directly influence the quality of life for the residents and businesses in Rialto. In addition to enforcing the laws of our society, the Police Department believes it is equally important to maintain and develop positive relationships with all members of the community. The Area Commander Program is one of many innovative examples of the Rialto Police Department's "Commitment to Community."

- Area #1- Thursday, January 10, 2013, Sunrise Church - 2759 N Ayala Ave., 7:00 pm. Lt Karol (909) 820-2526
- Area #2 - Thursday, January 17, 2013, Henry Elementary School - 470 E. Etiwanda Ave., 7:00 pm. Lt Thompson (909) 820-2560
- Area #3 - Wednesday, February 13, 2013, Bloomington Christian School - 9904 Bloomington Ave., 7:00 pm. Lt Wilson (909) 421-7276
- Area #4 - Thursday, February 28, 2013, Boyd Elementary School - 310 E Merrill Ave., 7:00 pm. Lt Kurkoske (909) 820-2634

Fire Department

Additional Paramedic Resources at Fire Station 202

The Rialto Fire Department is pleased to be able to increase our service level to the community by upgrading our engine company at Fire Station 202 from a basic life support (BLS) unit to an advanced life support (ALS) resource. This means that the City will have one more unit on the streets each day that can administer advanced medical care right at the scene of the emergency. Although the ambulance located at Station 202 has always been an ALS resource, the department's goal has been to incrementally upgrade every fire department resources to have advanced medical capabilities. With this newest upgrade, we now have ALS capability on every emergency fire department resource. Through the dedication of our firefighters and their willingness to develop and employ innovative service delivery methods, this upgrade was made at no additional cost to the City's general fund. Thanks to them, we will see faster response times and higher levels of care in our community.

Fire Explorer Academy

Ten Members of the Rialto Explorer Post #299 attended the annual Inland Empire Fire Explorers Association's fire academy this November. The event was held at the Fort Irwin National Training Center. This is an annual event that prepares explorers for the rigors of firefighting through training, coaching, and teamwork. The five day event included live fire training, rescue, vehicle extrication, and other emergency skills. Through this training, our explorers increased their knowledge and abilities in providing emergency services, which will assist them in their pursuit of a fire service career. Our explorers were standouts among the groups involved, and we are very proud to have them in our community. A short video showing the highlights of the event can be found at http://iefea.net/Inland_Empire_Fire_Explorer_Association/Welcome.html.

Holiday Gifts to the Community

Every year, thousands of children experience a Christmas morning with no gifts to open. To help remedy this, Rialto Firefighters joined other Southland Fire Departments to host the "Spark of Love Toy Drive." Through the volunteer efforts of our firefighters, donors, and sponsors, many families in our community will receive new toys to celebrate the holiday season. If you would like to participate, please bring new, unwrapped toys and sports equipment to any Rialto Fire Station. The toys will then be distributed to underserved families in the community to make their Christmas a special day. For more information, call Rialto Fire Administrative office at (909) 820-2501.



Good Sports in Public Safety

On November 10th, Rialto Firefighters played Rialto Police Officers in a charity softball tournament at Frisbee Park. This exhibition game, sponsored by the Rialto Girls Softball



League, raised money and awareness for the National Down's Syndrome Society. This worthwhile cause supports families impacted by this genetic condition locally and throughout the United States. While this game was "all in fun", the competitive rivalry and spirit between the cops and firefighters was evident throughout the game. In the end, the **firefighters won 37-10!**

Rialto Firefighters Help Give Thanks

On November 19th, Rialto firefighters in cooperation with St. Peters church in Rialto participated in this year's Thanksgiving food basket giveaway. The food baskets were put together by the church congregation and were delivered by Rialto Fire personnel. In all, a total of 24 food baskets were delivered to needy families throughout Rialto.



NOTABLE INCIDENTS

Apartment Fire - November 3rd

On November 3rd, at 2:22 am, Rialto Fire personnel responded to 690 S. Riverside for a structure fire. On arrival, firefighters found a ground floor apartment with heavy fire and smoke conditions. Firefighters were able to extinguish the fire and kept it from spreading to the rest of the structure. Unfortunately, one civilian died in the fire. Rialto Fire investigation personnel, along with Rialto P.D., conducted the investigation which was determined to be an arson/homicide. The case and investigation is currently ongoing. The Fire Department, along with the City's Administrative Services Division, arranged for food and shelter for over 50 residents who were temporarily displaced by the fire.



Vegetation Fire – Cajon pass- November 11

On November 11th at 2:36 pm, ME204 responded to the northbound 15 freeway north of Kenwood to a reported vegetation fire. The crew of ME204 worked with the US Forest Service, Cal Fire and the San Bernardino County Fire Department providing support with fire control efforts. The fire burned approximately 300 acres before crews could contain the fire. During the month of November there were several vegetation fires in the Cajon pass area. The dry fuels coupled with extremely dry conditions caused the fires to grow rapidly. Thankfully, the work of local firefighters, including members of the Rialto Fire Department, kept all the fires relatively small.



Structure Fire – 332 North Sycamore

On November 10th, at 5:30 am, Rialto firefighters responded to 332 N. Sycamore for a structure fire. On arrival, fire crews found heavy fire and smoke showing from a single story, single family residence with an attached book/thrift store. Fire personnel worked quickly and were able to contain and extinguish the fire before it could spread throughout the structure. The resident was alerted to the fire by a smoke detector inside the home and was able to escape with minor injuries. Rialto Fire paramedics treated and released the resident on scene. There were no other injuries to civilians or firefighters although one dog perished in the fire. Rialto Fire investigation personnel conducted the cause and origin of the fire and determined it to be electrical in nature. A total of 25 firefighters responded to this incident including assistance from the San Bernardino City Fire Department.

Holiday Safety



Decorating homes and businesses is a long-standing tradition around the holiday season. Unfortunately, these same decorations may increase your chances of fire. Based on data from the National Fire Protection Association (NFPA) and the U.S. Fire Administration (USFA), an estimated 240 home fires involving Christmas trees and another 150 home fires involving holiday lights and other decorative lighting occur each year. Together, these fires result in 21 deaths and

\$25.2 million in direct property damage.

Following a few simple fire safety tips can keep your holidays safe:

- If you have a live tree, make sure it is well watered. To see the difference this can make, follow this link to a video example by Underwriters Laboratory. <http://www.youtube.com/watch?v=TeZk2IrvAOU>
- Do not place your tree close to a heat source, including a fireplace or heat vent.
- Do not put your live tree up too early or leave it up for longer than two weeks.
- Make sure all exits are accessible and not blocked by decorations or trees.
- As always, make sure you have working smoke detectors in your home.

By following these simple tips, you can help ensure that you and your family enjoy a safe and fun holiday season.

Development Services Department

City Approves Purchase and Sale Agreement with In-N-Out Burger

On November 13, 2012 the City Council approved a Purchase and Sale Agreement with In-N-Out Burger for the development of a 3,750 square foot restaurant on a 1 acre site located at the southeast corner of the 210 Freeway and Riverside Avenue. Improvements to accommodate In-N-Out and two additional restaurant/retail pads are under construction. The current improvements consist of site grading, utility installation, traffic signalization, parking and landscaping. A subsequent contract will be awarded for construction of a freeway sign to be located at the extreme northeast corner of the site which will advertise the three users to travelers on the 210 Freeway. If all goes according to plan, residents will enjoy “Double-Doubles” as early as next summer.



Construction underway on future In-N-Out Burger Site.

Super Wal-Mart Still Awaiting Supreme Court Decision on Cory Briggs Appeal

On October 4, 2012 Cory Briggs requested that the California Supreme Court consider the case regarding the Wal-Mart Supercenter. The City was notified by the California Supreme Court that it will make a determination on or before January 3, 2013 regarding the appeal lodged by Cory Briggs against the City of Rialto related to the Wal-Mart Supercenter Project. The City Council approved this Project in July, 2008 and, after four years of litigation the City finally prevailed in the Appellate Court in August, 2012.

Rialto Businessman Receives Major Award

Bob Burlingame, 77, CEO of Burlingame Industries, Inc. was selected as the 2012 Master Entrepreneur at the Spirit of the Entrepreneur Awards held on November 7, 2012 in Ontario, California. The Spirit of the Entrepreneur event is sponsored by the Inland Empire Center for Entrepreneurship at California State University San Bernardino to recognize successful entrepreneurs in the region. The Master Entrepreneur Award recognizes individuals that have: 1) established and successfully grown multiple companies during their career, 2) have built their company or companies into clear industry leaders, and 3) achieved significant growth and sales volume in excess of \$100 million.

Burlingame Industries, headquartered in Rialto, has numerous subsidiary businesses including: Eagle Roofing Products, a major manufacturer of roof tiles; Innovacyn, a manufacturer of healthcare products for equine and companion animals; Diamondback Express, a cargo and freight transportation firm; Mountain Lakes Resort, a camping resort in Lytle Creek; and the Flying B Ranch, a 4,200 acre hunting and fishing lodge located in Idaho. Burlingame Industries and its affiliated companies have over 500 employees and it is one of Rialto's top employers and top property tax payers.



Inland Empire Economic Forecast

Staff attended a regional economic forecast sponsored by the University of California at Riverside. In general, the tone was upbeat with a wide range of economic statistics showing slow but steady growth for the State of California and for Inland Southern California (Riverside and San Bernardino Counties). According to Beacon Economics, the key findings for Inland Southern California looking ahead to 2013 were:

- The economic recovery in Inland Southern California has been slow out of the gate, but the recovery is moving in the right direction and the region has made significant progress.
- The Riverside-San Bernardino metropolitan area added 30,800 new jobs to its employment base since hitting bottom at the end of 2009. This is a slower rate of growth than seen in the state overall but represents a recovery nonetheless.
- The second quarter of 2012 marked the 12th consecutive quarter of rising taxable sales in Inland Southern California. The growth has been broad based, reaching across virtually every industry in the region.
- The region's hotels and restaurants are starting to thrive again, and sales tax receipts at restaurants and hotels are up by nearly 9% on a year-to-date basis – the third fastest rate of growth by spending category.
- With respect to home prices and new residential and non-residential construction, Inland Southern California is pulling ahead of the pack. Rising employment, affordability, and low interest rates are all helping to increase activity in the local economy, with 2013 expected to be even better.

As the following articles attest, the City of Rialto shares in some of this increased economic activity.

Regional Labor Market

According to the California Employment Development Department, the unemployment rate for the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA) was

11.7 percent in October 2012, down from 13.2 percent one year ago. This compares with a current unadjusted unemployment rate of 9.8 percent for California and 7.5 percent for the nation. The unemployment rate was 12.0 percent in Riverside County and 11.2 percent in San Bernardino County. Rialto's current unemployment rate remains relatively high at 14.4%, but it has improved from 16.8% one year earlier. Employment growth usually lags other economic improvements coming out of a recession.

Total nonfarm employment in the MSA increased by a total of 7,300 jobs, while Agricultural/Farm employment declined by 100 jobs:

- Professional and business services recorded the greatest year-over gain, adding 6,400 jobs. Administrative, support and waste services increased by 6,300 jobs, followed by a gain of 100 jobs in, professional, scientific, and technical services.
- Six other sectors reported job gain: trade, transportation, and utilities (up 4,400), financial activities (up 1,900), leisure and hospitality (up 1,800), educational and health services (up 1,700), manufacturing (up 400), and information (up 100).
- Three other sectors lost jobs, with government showing the most prominent loss (down 6,200). Local government (down 4,400) accounted for most of the job losses in the government sector. State government and federal government reported declines of 1,000 and 800 jobs respectively.

Construction related jobs are finally starting to show improvement after suffering significant losses during the recession. Construction has historically been a large contributor to the economic output of the Inland Empire.

Inland Commercial Real Estate Markets Also Improving

The City receives various market condition reports from real estate brokerages, including Jones Lang LaSalle, Voit Commercial, and DAUM Commercial. A synopsis of the market conditions for the industrial and commercial sectors in the Inland Empire follows:

- Industrial Real Estate Market Conditions -- the Inland Empire industrial market is finally recovering from the economic doldrums of the recession. However, there were mixed signals in the 3rd Quarter of 2012. Overall vacancy rates in the Inland Empire increased from 6.6% to 7.4% from 3Q/11 to 3Q/12 (a bad sign), while asking rents increased by 2.7% (a good sign). The number of transactions increased by 19% (a good sign), while the median price declined by 3% (a bad sign). Nevertheless, the general trend remains positive and many users sidelined for the last few years are now reentering the market, filling vacancies and putting upward pressure on prices/rents. The dominant trend is again for large warehouses, allowing goods distributors to consolidate facilities and maximize operational efficiencies with modern equipment.

Rialto, which has about 18 million square feet of industrial space, had the lowest vacancy rate within the Inland Empire West at 3.3% -- the Inland Empire West had an overall vacancy rate of 7.3%. Given the short supply of available industrial space in Rialto, developers have been busy assembling development parcels to build warehouses of 500,000 square feet or more. Industrial land prices have increased significantly during the last year for these larger properties. The market is not as strong for smaller buildings and sites. Developers such as

Panattoni, DCT, Oakmont and ProLogis have submitted development applications for over 3 million square feet of distribution warehouse facilities in Rialto to meet the demand for the large distribution facilities.

Target Corporation continues progress on its 499,000 distribution facility at the southeast corner of Alder Avenue and Renaissance Parkway. Panattoni Construction has commenced construction on a 377,000 square foot distribution facility at the northwest corner of Locust Avenue and Baseline Road.



Target Building under Construction



Site Grading underway for Panattoni

- Retail Real Estate Market Conditions -- The Inland Empire retail market continues to move in a positive direction, although very slowly. Both vacancy rates and net absorption have showed modest improvement, while average lease rates increased slightly to \$1.35 per square foot. New construction of retail space is still lagging due to the remaining hangover vacancies and rent levels which do not yet support new construction. Retailers have been gobbling up the better located vacant spaces at attractive rents/prices rather than undertake build-to-suit opportunities. Until the inventory is substantially thinned, and retailers are forced to build ground up to satisfy demand, new retail construction will be very limited. Continued employment and personal income growth along with revived new home construction will help push this sector back to health.

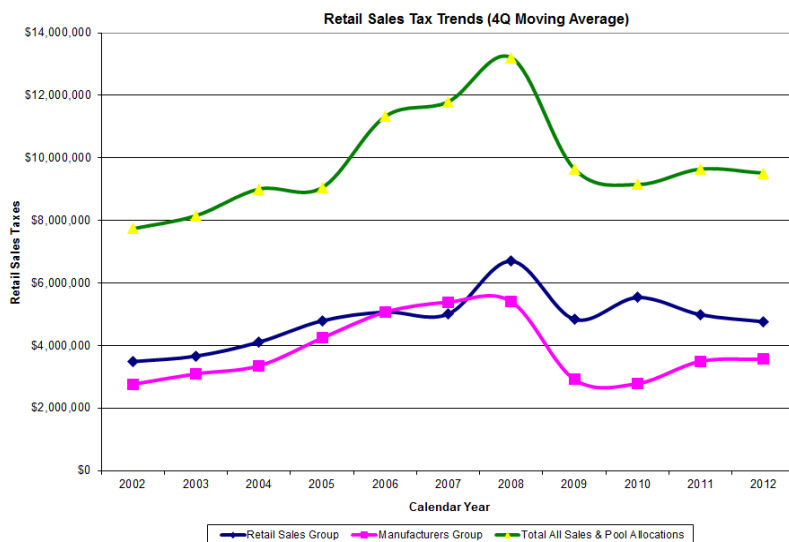
In Rialto, Family Dollar recently opened its Baseline store while breaking ground on their third store at the corner of Riverside Avenue and James Street. Walgreen's recently completed its newest store at Foothill Boulevard and Pepper Avenue and Matt's Car Wash has broken ground at the corner of Cactus Avenue and Foothill Boulevard.

Rialto Taxable Retail Sales Slowly Improving

After peaking in 2008, taxable retail sales in Rialto fell from \$12.3 million annualized in the third quarter of 2008 to \$7.4 million annualized in the fourth quarter of 2009, a decline of \$4.9 million or 40%. Taxable sales have rebounded to approximately \$9.5 million annualized through the second quarter of 2012, with a surge in sales from the manufacturers group. The manufacturers group includes heavy construction and petroleum product suppliers such as Rialto Concrete Pipe, State Pipe and Supply, and Poma Distributing/Fueling.

Rialto's retail store sales activity bottomed out in 2010 and has only marginally rebounded since that time. New auto sales, in particular, have been driving significant sales tax growth statewide and for those communities fortunate to host car dealerships.

Rialto does not have any significant concentration of car dealerships, which is a substantial leakage of potential sales tax dollars. As often reported, Rialto's sales tax fortunes rely heavily upon volatile fuel prices, with gasoline related sales taxes comprising 40% or more of sales tax collections.



Rialto Home Sales Prices Slowly Recovering from Recession

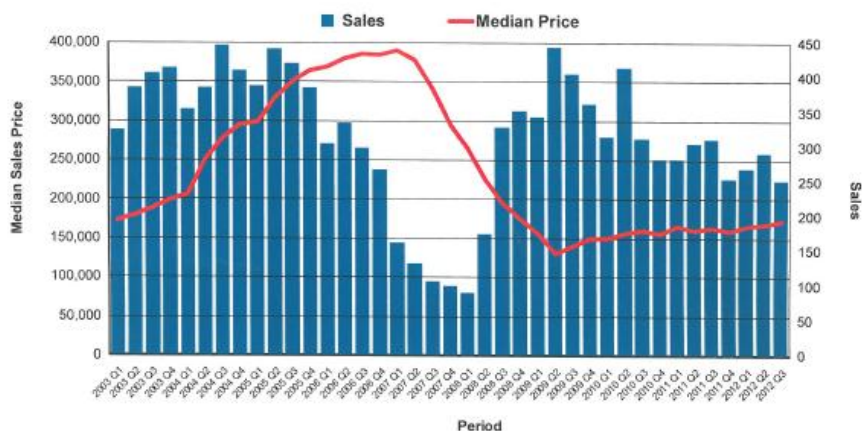
Hdl Coren & Cone provides statistics showing the condition of Rialto's housing market. The table below shows quarterly home sales volumes and median prices from 2003 through the third quarter of 2012. Sales volumes bottomed out in 2008 while prices reached their nadir in 2009. Since then, sales volumes have been fairly steady at approximately 300 units per quarter and median home prices have ticked up slowly above \$150,000 per closed unit.

In contrast, peak sales volumes in 2005 were just under 450 units per quarter with a median home price a few quarters later of just under \$400,000. The recovery has been very slow but steady. Record low interest rates and affordable home prices have caused investors and homebuyers to jump back into the market. Beacon Economics forecasted a significant surge in home sales and new home construction for 2013. The strongest market at the moment, however, is apartment development as low vacancy rates and strong rental rate increases have made this an attractive investment opportunity.



THE CITY OF RIALTO SALES HISTORY

Single Family Residential Full Value Sales (01/01/2003 - 09/30/2012)



*Sales not included in the analysis are out-of-state, trust transfers, foreclosures, and partial sales.

Data Source: San Bernardino County Recorder

This report is not to be used in support of debt issuance or confusing disclosure statements without the written consent of Hdl, Coren & Cone.

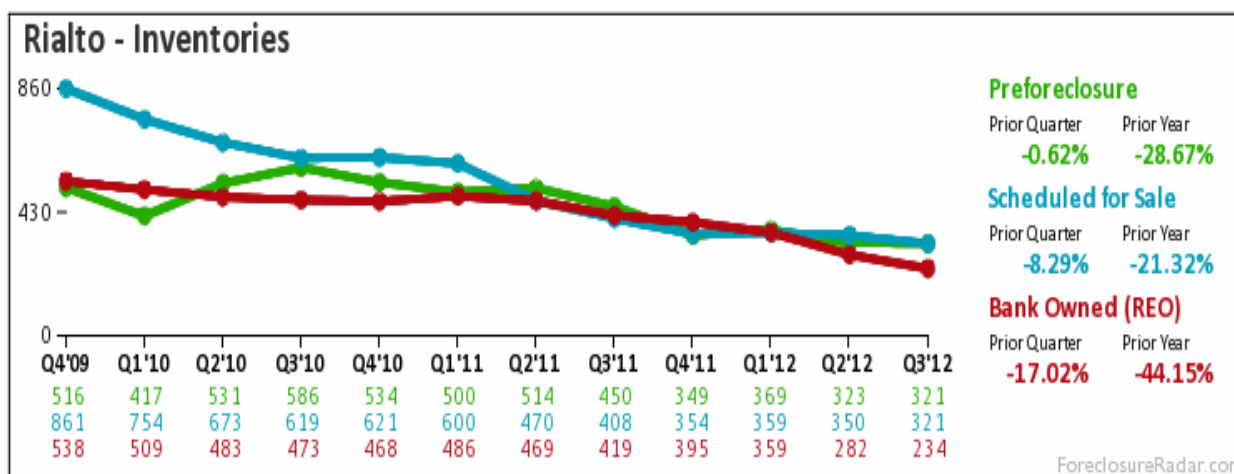
Prepared On 10/30/2012 By MV

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Home Foreclosures Continue to Decline in Rialto

The number of homes in Rialto at various stages of foreclosure continues to decline based on data provided by ForeclosureRadar.com. The chart below shows the inventory of total homes in late stages of the foreclosure process. Foreclosures should continue to decline during 2013.

During the third quarter of 2012, a total of 321 homes were in a pre-foreclosure state (a Notice of Default was issued), 321 homes were scheduled for trustee sale, and 234 homes were owned by the lending institution. These totals are substantially down from the peak during the fourth quarter of 2009, and down from the prior quarter as well. Banks have become more effective at disposing of standing inventory while approving more short sales which have constricted the pipeline of new REO's. Staff is also finding these trends to be reflected in the Rialto housing stock, as the number of vacant and abandoned homes has diminished and the number of bank owned properties offered to the City for NSP purposes has basically dried up.



Rialto Joins Countywide Water and Energy Efficiency Program

Last month, the City Council approved joining other San Bernardino County cities to participate in the Property Assessed Clean Energy ("PACE") program. The PACE Program provides a tool to residential and commercial property owners to finance energy and water conservation improvements that will help them save money on their utility bills. Eligible improvements include air sealing and weatherization; cool roof systems; high efficiency and tank-less water heaters; weatherized doors and windows; high efficiency toilets and shower heads; drip irrigation systems.

The PACE program also provides a source of private investment into local communities for property improvements that will provide jobs to local contractors and suppliers. The property owner repays the loan through an assessment on the tax bill for the property. The term of the loan ranges from 5 to 20 years

The program is expected to be available to property owners early next year. It will be managed by the San Bernardino Associated Governments. The public can contact John Dutrey, Housing Programs Manager, at (909) 820-8014 to inquire more information and apply for the PACE program.

Public Works

Pepper Avenue Extension

This project will extend Pepper Avenue from its existing dead end which is above East Winchester Drive northward approximately 2,400 feet to within 400 feet of the 210 Freeway. There have been many delays to the project due to stringent, but necessary, environmental requirements. The Notice to Proceed was issued to the Contractor on July 2, 2012.

Currently the placement of the precast box culverts has been completed. The retaining walls are about 80% complete. About 50,000 cubic yards of fill dirt from the jobsite stockpile has been mechanically compacted to gain the necessary increase in height elevation. The dirt at the Ayala stockpile is likely to be hauled to the jobsite in several weeks.



Riverside/Easton Retail Development Site

This project is on the site where the original Fire Station No. 202 once was located which has since been demolished. This project includes rough grading, on-site improvements, parking lot improvements, landscaping improvements, lighting improvements, extension of utilities, a new traffic signal at Highland Avenue and Easton Street and associated improvements necessary to fully develop the site leaving only the retail pads to be fully improved by future retailers. One of the future retailers is anticipated to be In-N-Out Burger.

The construction contract was awarded by City Council on September 25, 2012. The Notice to Proceed was issued to the Contractor with a start date of November 5, 2012. Currently the rough grading of the site is about 75% complete. Work on the utilities and the necessary demolition has begun. Masonry work will begin within the next several weeks. The project is anticipated to be completed by the end of July, 2013.

Ayala Avenue Widening

Ayala Avenue is a major arterial street with four lanes in each direction, except between Baseline Road and Easton Street. This bottleneck causes traffic problems and is a significant safety concern for motorists, pedestrians and bicyclists. In addition, the current road design may also pose a significant risk to fire personnel trying to return to the fire station located on Ayala Avenue. This widening will create a safer route, reduce traffic congestion and improve motorists and pedestrian safety.

The project proposes to widen Ayala Avenue from generally 2 to 3 lanes (existing) to 2 lanes in each direction with a center lane and bike lanes (ultimate width). The widening also includes construction of curb, gutter, and sidewalks, and rehabilitation of the existing portion of the roadway within the project limits.

The City recently received a State Local Partnership Program (SLPP) grant in the amount of \$600,000 towards the construction phase of the project. The City will be budgeting an equal match of \$600,000 from Development Impact Fees. The acceptance of the grant is scheduled to be approved by the City Council at its December 11, 2012 meeting.

The City is currently completing the design and has initiated acquisition of right-of-way (ROW) for the project. Public Works staff is anticipating that the final design and ROW acquisition will be completed by June 2013.

Cactus Avenue Widening

This is a widening project that is part of the approved Capital Improvement Program (CIP). The project is proposed to widen the west side of Cactus Avenue to include a second southbound traffic lane, curb and gutter, ADA handicap ramp improvements and a short section of sidewalk along the north side of Etiwanda Avenue just west of Cactus Avenue.

On July 24, 2012, the City Council awarded the construction contract to Lee & Stires Company. Construction began on September 18, 2012 and the project was completed on November 21, 2012.

The project was funded 100% by Local Stimulus funding made available by the San Bernardino Associated Governments (SANBAG).

Merle Casey Elementary School Safe Routes to Schools Improvements

In 2008, the City of Rialto, in partnership with the Rialto Unified School District (RUSD), submitted an application to the State of California Department of Transportation (Caltrans) for a Federal Safe Routes to School (SRTS) Program requesting grants to install In-Roadway Warning Light (IRWL) system along with curb, gutter, sidewalk, and ADA improvements at Merle Casey Elementary School. The grant was awarded to the City and accepted by City Council on January 26, 2010.

The proposed improvements include installing an In-Roadway-Warning-Light (IRWL) system to provide a safer pedestrian street crossing to the school, construction of sidewalks and ADA related improvements in the vicinity of the school.

A neighborhood meeting was conducted on Tuesday, November 4, 2012 to provide the affected residents with an opportunity to review the improvements, ask questions and/or provide input. A favorable outcome was obtained with residents welcoming the necessary improvements for the project.

The design phase of the project has been completed and staff will be scheduling City Council approval of the plans and authorization to bid the project in January 2013.

Pacific Electric Inland Empire Trail, Phase I from Maple to Cactus Avenues ("Rails to Trails") Project

The Pacific Electric Railway was once the world's largest interurban and street railway system, extending from Los Angeles to the outlying regions. The railway was critical to the development of the Inland Empire region and the area's agricultural industry. In

1991, the Pacific Electric right-of-way was purchased from the railroad and a portion assigned to the San Bernardino Associated Governments (SANBAG). In 1994, SANBAG adopted a policy allowing the right-of-way to be used for trails, flood control channels, pipelines, or other utilities. The trail is a multi-use path along the 21 mile railroad right-of-way and currently is completed through the cities of Claremont, Montclair, Upland, Rancho Cucamonga and Fontana.

Phase I of the project will be completed from Maple Avenue to Cactus Avenue and includes construction of an 11 foot-wide concrete trail along with landscape, access gates, monument pilasters, lighting and traffic signals. The approximately length of this segment is 1.25 miles long.

The construction estimate for the project is \$3 million however; the City has not obtained sufficient funding to cover construction of the project at this time. Staff continues to seek grant opportunities and will be scheduling council consideration of alternative to construct limited portions of the project with the funding currently available.

Metrolink Parking Lot Expansion Project

The San Bernardino Associated Government (SANBAG) has identified Rialto's Metrolink station as one of the commuter rail stations in the County that is most in need of additional parking spaces. IN 2005 the City of Rialto and SANBAG began coordinating a project to expand the existing parking lot by approximately 550 parking spaces to reach a total of 715 spaces. This expansion is projected to cover an increase in Metrolink commuters through the year 2025.

In 2006 City Council approved an agreement with Aztec Engineering to provide preliminary concept plans for the expansion, evaluation of environmental constraints and impacts associated with the project and to prepare Environmental documents.

The City Council approved a preliminary plan that requires the City to acquire nine separated properties and relocate a City owned Police Evidence building located west of the existing Metrolink parking lot.

In 2011 the City Council accepted over \$3 million in grant funds from Omnitrans provided by the Federal Transit Administration (FTA) for the project.

Staff released a Request for Proposal (RFP) in October 2012 to solicit proposals from engineering firms to complete the final design and right-of-way acquisition phases. Two firms responded to the City's RFP and staff is currently evaluating these two proposals. It is anticipated that a consultant will be selected and a contract negotiated for award by the City Council in January 2013

Solid Waste Management News

Hazardous Household Waste Collection

During the month of November, Solid Waste held their Hazardous Household Waste Collection. The total stats for the event were as follows:

- **119 Resident** served
- **575 gallons** of used motor oil

- **3 pallets** of paint
- **4 drums** of miscellaneous poisons and other toxic liquids
- **6 barrels** of sharps
- **6 vehicle** batteries



During the month of December, the site will be open from 8:00 am to 12:00 noon on December 7th, 8th, 21st and 22nd.

Christmas Tree Recycling



After the Christmas holiday don't forget to recycle your live Christmas trees. Burrtec will be collecting your trees curb side on your regular trash collection days. Before placing your live tree at the curb, remember to remove all ornaments, lights, tinsel, and stands from the tree. Also, if your tree is taller than 6 feet, be sure to cut it in half before you recycle it.